



Appropriations

- Government funds must be approved for expenditures
- Ability to Spend Money
- Authority to Spend Money
- All funds tied to taxpayer money is appropriated

Monitor Budget

- Abundance
- Sufficient
- Fiscally Hungry



Monitor the Economic Climate

- Assessed Value Going Up or Down
- Property Tax Caps Influence Available Revenue
- Growth Quotient Based on Income
 - · 2010 3.8%
 - · 2011 2.9%
 - ° 2012 Available in July 2011



www.in.gov/dlgf

Monitor the Library Climate

- Is Library Budget Growing or Decreasing?
- What Are Demands in Community for Library Services?
- Examine Expenditures for Current Year







- Timeline of Long Range Plan:3 to 5 Years
- One Year Plan

Plan Budget



- Current Operating Fund Balance
- Library Improvement Reserve Fund (LIRF)
- Rainy Day Fund

Plan for the Future



- Rainy Day Fund A fund where previous budget surpluses can be transferred to stabilize future revenue disruptions
- LIRF Library Improvement Reserve Fund is the fund used to accumulate balances in advance for capital improvements

Funds Accounting and Tax Rates



- Operating Fund
- Library Improvement Reserve Fund
- Rainy Day Fund
- State Technology Grant Fund
- Requirement to Submit LAR I Annual Report to State Board of Accounts





- Total Budget: All the Funds
- 18 Month Process

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Fiscally Hungry



- Borrow Funds
 - Tax Anticipation Loan
 - Inter-fund Transfer
 - Transfer Among Categories
- Additional Appropriation
 - Similar to Annual Paperwork
 - Requires Advertising and Expenditure for advertising

Library Budget Forms



- Form | Expenditures
- Form 2 Revenue
- Form 3 Notice to Taxpayers of Budget Estimates and Tax Rates
- Form 4b Referred to as 16 Line Statement
- Form 5 Is No Longer Required By Library
 - Electronic submission of budget to auditor
- DLGF Gateway <u>http://www.in.gov/dlgf/8918.htm</u>

Library Budget Estimate To YEAR CO TYPE For the Calendar Year Ending December 31, Library	• Fo	rary Budget Forms rm I Expenditures	DLGF: Home
	Prepare a 1. Perso Si	Library Budget Estimate CO TYPE For the Calendar Year Ending December 31,	Display of Category 1 Personal Services of 4 Categories

Form I: Expenditures (Estimate)

- Personal Services
 - Salaries
 - Social Security and Medicare (FICA)
 - Others (PERF, Insurance, etc.)
- Supplies
- Other Services
- Capital Outlays
 - 7.5% of operating funds for collection development

Standards (590 IAC 6) Associated with Expenditures

- Collection Development 7.5% of operating funds minimum
- Communication
 - Telephone and answering machine or voice mail
 - · Email, copier, fax machine (scanner optional)
- Delivery Service 1, 2, 3 days a week tied to population served
- Director
 - Hours
 - Salary and benefits (Social Security and Medicare required, insurance and other if available)
 - Certification tied to population served

Standards (590 IAC 6) Associated with Expenditures (2)

- Facilities (main and branch, bookmobile, property)
 - Meet federal, state and local building, health and safety codes
 - Meet ADA or provide accommodations for service
 - Maintenance
 - Service requirements
- Hours (20, 40 or 55 a week, tied to population served)
- Programs
 - 12 programs a year minimum (more programs tied to population served)

Standards (590 IAC 6) Associated with Expenditures (3)

- Staff
 - Age-related services
 - Salaries and benefits (Social Security and Medicare required), insurance and other if available
- Technology
 - Web site
 - Computers connected to Internet, Printer
 - Wireless
 - Integrated library system searchable online

Form 2: Revenue Estimate



- Two Numbers
 - · Last six months current year
 - 12 months of new year

18 months

- Special Taxes
- Other Revenue
- Gifts
- Grants
- Transfer from Operating Fund (LIRF only)

Form 2: Revenue Estimate Second Se
PREPARE SEPARATE ESTIMATE FOR EACH FUND
ESTIMATED AMOUNTS TO BE RECEIVED
FUND Logic Exercises U.S. La L
SOURCE OF RECEIPTS Dec 31, Prisace Get 31. History
SPECIAL TAXES: 0201 Financial institutions TaxiPCA
02012 Liconae Excise Tax
0201 CAGIT Property Tax Regulacement Credit
0217 CVET Commercial Vehicle Excise Tax.
OTHER REVENUE:
1616 State Deterbution 4100 Fines and Force Fines
2717 Photocopy Faee
6100 Inserest on Investments 2710 County Contractual Library
1418 Ultrary Senies Authority 2705 Tomoship Contracts (Lists)
6007 Transfer From Operating Fund
6200 Rontal of Property 6200 Rontal of Property
5101 Salo of Property
LIRF transfer
LIRF transfer
0000 Total Columne A and B
NOTE: Col. A is for the period from July 1 to December 31 of the present year.
Col. B is for the period from January 1 to December 31 of the locoming year. Cols. Y are measured for the Department of Local Government Finance.
(CAGIT) means County Adjusted Gross Income Tax.

Special Taxes on Form 2

- Local Option Income Tax
 - Fund local costs with local income instead of property tax
 - $^{\circ}$ Alternative source of revenue for county
- DLGF presentation on Local Option Income Tax is found at

http://www.in.gov/dlgf/7343.htm



Form 4b Budget Estimate



- 16 Line Statement
- Estimate of Tax Levy and Rate
- Tax Rate x (AV / 100) = Tax Levy or Tax Levy / (AV / 100) = Tax Rate
- For Example Assessed Value is \$100,000,000
- Library needs Tax Levy=\$100,500
- Tax Rate=100,500/1000000 or .1005

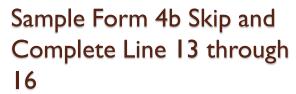
Q	D YEAR	TAXING UNIT	DGET ESTIMATE- FINANCIAL STATE		COUNTYNET ASSESSED \	ALUATION_	m 40 (Nev.)	
	FUNDS F	itures (form 1)	(This form is to be prepared for ea (NOT ECEMBER 31st OF INCOMING YEAR	th fund that requires either a tax ri TO BE PUBLISHED) ANOUNT USED TO COMPLITE PUBLISHED BUDGET	APPROPRIATING BODY	TAX ADJUSTMENT DLGF FI	INAL ACTION	
	2. Neces unexp 3. Additio	encied	ber 31 of present year, to be made from appropri- nado July 1 to December 31 of present year	ation				
	a. To b. Not	noing temporary scans be paid not included in lines 2 or 3 repaid by December 31 of present FUNDS required (add lines 1.2.)	year ,4a and 4b)					
	6. Actual 7. Taxes	cash batance, June 30 of present y to be collected, present year (Dece	mber settlement)					
	8. Miscell	aneous revenue to be received Juli	1 of present year to December 31 of incoming y	02'				
	9. TOTAL 10. Net ar 11. Opera revent	FUNDS (Add lines 6, 7, 8a and 8 nount to be raised for expenses to ting balance (not in excess of expire for same period)	Revenue (form 2) b) c) c) c) c) c) c) c) c) c	Operating B	alance			
	13, a, Pro 13, b, Pro 14, NET /	nt to be raised by tax levy (add line porty Tax Replacement Credit from porty Tax Lovy Froozo from LOIT MOUNT TO BE RAISED BY TAX	Local Option Tax EVY (deduct line 13+A10a and 13b from line 12		XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	30000000000		
	16. Net ar	xosss Fund applied to current bud nount to be raised ox Rate on each one hundred colla		Tax Levy Tax Rate				
							2	3
							2	.3
							2	3
							2	3
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							2	3
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							2	3





	Assessed Value	\$250,000,000
Line 1	Budget Estimate	\$334,000
Line 2	Expenditures	\$176,910
Line 3	Additional Appropriation	\$0
Line 4	Temporary Loans	\$0
Line 5	Total Funds	\$510,910
Line 6	Cash Balance	\$103,270
Line 7	Taxes (December Settlement	\$204,839
Miscella	neous Revenue	
Line 8a	Total Column A Form 2	\$41,462
Line 8b	Total Column B Form 2	\$77,752
Line 9	Total Funds	\$427,323
	Amount to be raised for	
	expenses to December 31 of	
	incoming year (deduct line 9	
Line 10	from 5	\$83,587

Additional appropriation may occur if library receives LSTA money that has to be spent out of operating fund in the current budget.





Line 13 a	CAGIT/COIT	\$0
Line 13 b	LOIT	\$0
Line 14	Net Amount to be raised by tax levy	\$251,910
Line 15	Excess Levy Fund	\$0
	Net Amount to be raised by	
Line 16	tax levy (max levy)	\$251,910

Local Option Income Tax (LOIT)

- Since 2007 counties have alternative source of revenue to fund local costs with local income instead of property tax
- See the following resources for more information:
 - DLGF LOIT Factsheet at http://www.in.gov/dlgf/7343.htm
 - Legislative Services Agency Tax Handbook at http://www.in.gov/legislative/pdf/TaxHandbook 10 online.pdf

Backwards from Line 16 through 11

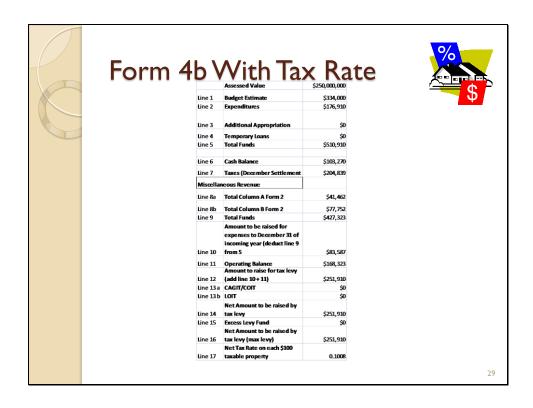


	Amount to be raised for expenses to December 31 of incoming year (deduct line 9	
Line 10	from 5	\$83,587
Line 11	Operating Balance	\$168,323
	Amount to raise for tax levy	
Line 12	(add line 10+11)	\$251,910
Line 13 a	CAGIT/COIT	\$0
Line 13 b	LOIT	\$0
	Net Amount to be raised by	
Line 14	tax levy	\$251,910
Line 15	Excess Levy Fund	\$0
	Net Amount to be raised by	
Line 16	tax levy (max levy)	\$251,910

Operating Balance on Line 11



- Increase next year's budget
- Reduce next year's tax levy
- Increase operating budget



Form 3 Notice to Taxpayers of Budget Estimates and Tax Levies



- Publication
 - o In newspaper circulating in library district
- Notice Shall Be Published Two (2) Times, At Least One Week Apart
 - First time:At least 10 days before the date fixed for the public hearing (IC 20-14-3-10 and IC 6-1.1-17-3)
 - Second time:At least 3 days before the event

Assistance from DLGF Field Representative

- Meet With Representative in July or August
- Library Director and Board Member Brings to Meeting:
 - Balanced ledger
 - Proposed budgets and estimated revenues.
 - Library will leave workshop with a budget ad to take to the newspaper for publication

Approval of Budget



- Attend Public Library Annual Workshops in June updates library units on requirements
- DLGF presentation on non-binding recommendation and how to establish library budget calendar after public library gets the hearing date from the county council

Budget Calendar



- Available on DLGF Website end of May 2011 (After End of Legislative Session)
- Overview
 - Plan in the summer
 - Hearing in the fall
 - $^{\circ}$ Approval and submit end of October

Manage Money

- Segregation of Duties
- Bonded Treasurer
- Safeguard Cash



More Information

- DLGF: Library Budget Manual http://www.in.gov/dlgf/4843.htm
- State Board of Accounts Library Accounting Manual http://www.in.gov/sboa/2802.htm
- Public Library Statistics http://www.in.gov/library/plstats.htm
- Public Library Standards Title 590 Article 6

http://www.in.gov/legislative/iac/iac_title?iact=590

• Attend Public Library Annual Workshops in June



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